UGRIN, ALEXANDER, ZADICK & HIGGINS, P.C.

JOHN D. ALEXANDER NANCY P. CORY MARK F. HIGGINS ROBERT F. JAMES MARY K. JARACZESKI Attorneys at Law
#2 Railroad Square, Suite B
P.O. Box 1746
Great Falls, Montana 59403-1746

TELEPHONE (406) 771-0007

FAX (406) 452-9360

E-MAIL uazh@uazh.com

MARY K. JARACZES
CATHY J. LEWIS
MARK D. MEYER
NEIL E. UGRIN
ROGER T. WITT

GARY M. ZADICK

April 20, 2006

Our File: BE28-24

Via Federal Express

Katherine Orr Montana Department of Justice 1712 Ninth Avenue Helena, MT 59601

Re: Proposal of Benefis Healthcare to Repeal COPA Upon Ten-Year Anniversary

Dear Katherine:

We are in receipt of your letter of March 20, 2006 regarding the ten-year review of the COPA, scheduled for this year. Accordingly, we now take the first step in the Department's suggested procedure by providing you with Benefis' proposal regarding future implementation of the COPA, as you requested.

Based on several changes to the health care landscape in Great Falls and its surrounding geographic service area and patient base, Benefis proposes that the COPA be repealed upon its ten-year anniversary this year. Below is a discussion of the reasons why Benefis believes that repeal is in the best interests of the patients and communities served by Benefis, and the reasons why the COPA is no longer necessary to achieve the three objectives for which the COPA was granted.

Significant Changes Have Occurred Since the COPA was Implemented

Several significant events and changes have taken place since 1996, all of which have had and continue to have or will have a profound effect on the environment in which Benefis operates. A recap of those changes and events, in chronological order, follows:

1996 Merger completed and COPA implemented

Great Falls Clinic (51% ownership) and Blue Cross (49% ownership) establish a joint venture insurance product, Montana Care, that is the second largest single insurance product in Benefis' service area (second only to Blue Cross/Blue Shield of Montana). In fiscal year 2005, Montana Care represented 12.4% of all commercial insurance business at Benefis. Montana Care utilizes a restrictive provider panel, which they have used to effectively exclude Benefis and more than half of the independent physician community from any services that Great Falls Clinic offers competitively in Great Falls. These exclusions are based on economic factors rather than quality of care issues. As a result of the exclusions, patients are "steered" away from Benefis and the independent physician community, and towards Great Falls Clinic and members of the provider panel. Montana Care's steerage began almost immediately. This is a very powerful form of competition which did not exist in 1996.

1999 Two competing outpatient surgery centers enter market:

- ➤ Great Falls Clinic Surgery Center (owned 51% by Great Falls Clinic and 49% by Benefis at that time)
- Central Montana Surgery Center (owned by Harold Poulsen)
- Twenty inpatient beds begin competing with Benefis for inpatient business at the Central Montana Surgical Hospital (owned by Harold Poulsen)
- The Great Falls Clinic opens a new, 108,000 sq. ft. specialty clinic building to further compete with Benefis. Services there which directly compete with services offered at Benefis include:
 - Laboratory
 - ➤ PT/OT
 - Radiology including MRI, CT Scan, Ultrasound, and Nuclear Medicine.
 - Non-Invasive Cardiology including Echocardiography, Nuclear Studies, Stress Procedures, Holter monitoring, and Vascular Studies,
 - > Gastroenterology
 - Other Ancillaries

Included in the new specialty building is a large Cancer Center which directly competes with Benefis (including Radiation Oncology for which Benefis previously did not have local competition)

Great Falls Clinic buys Benefis' 49% share in Great Falls Surgery Center and then sells 1/3 of the Surgery Center to Essentia Health, a large Minnesotabased national health/hospital system and another significant source of competition. This sale of Benefis' interest enables and sets the stage for

With only a few exceptions for those specialty areas not represented in the Great Falls Clinic (i.e., neurosurgery), Great Falls Clinic providers are the only preferred providers in the greater Great Falls area.

increased competitive efforts for outpatient surgeries and procedures which directly compete with Benefis, including:

- Endoscopic Gastroenterology procedures
- > Orthopedic surgeries, including arthroscopic procedures
- > Pain Management procedures
- > Laparoscopic surgeries and procedures, such as cholecystectomy
- Podiatric surgeries
- Ophthalmologic surgeries
- Urologic procedures such as prostate biopsy, cystoscopy, etc.
- > General surgeries and procedures, such as hernia repair, breast biopsy, etc.
- > ENT procedures, including tonsillectomy, myringotomy, etc.
- Gynecologic procedures
- Benefis makes a final decision to disaffiliate from Providence Services in the fall. The parties are working diligently to finalize an agreement that will be subject to the approval of the Catholic Church in Rome and the Attorney General of the State of Montana. It is anticipated that the agreement will be ready for submission for approval in the summer of 2006.
- Great Falls Clinic and Essentia Health announce their plans to jointly operate Central Montana Hospital as a for-profit, inpatient/outpatient competitor to Benefis. Essentia, which purchased 1/3 interest in the Great Falls Surgery Center, is now a 50% joint owner in the venture to operate Central Montana Hospital. The new venture is very clear that it intends to compete with Benefis on an escalating basis, and a rapid ramp-up to a high level of occupancy is expected at Central Montana Hospital. This transaction is currently in litigation, challenged by Benefis. As Daniel Zismer of Essentia testified in district court at oral argument:

"Our intention was to come to this community, partner with the Great Falls Clinic, create a new integrated system of health care, potentially bring new services to this community, provide the physicians a venue to practice certain services that they cannot at this point at Benefis, and grow this over time, and to offer choice to the community based on our ability to provide an attractive high-quality platform of integrated health care."

Regardless of the outcome of the litigation, this competition, coupled with the competition outlined above, constitutes substantial competitive pressure on Benefis.

The Purposes For Which the COPA was Implemented

The COPA sets forth the purposes for which it was implemented. To begin with:

The Montana legislature clearly articulated its policy that state regulation of health care facilities and physicians "substitute... for competition."...

The COPA act allows terms and conditions to be imposed to ensure that the objectives of the certificate are met.

COPA at p. 46 (emphasis added; citations to Mont. Code Ann. omitted). As articulated on page 47 of the COPA, the objectives of the COPA were:

- 1) COSTS. To assure that cost savings resulting from the consolidation would be passed on to health-care consumers and third-party payors;
- 2) ACCESS. To ensure access to medical services now available in Great Falls would not be denied as a result of the consolidation and to guarantee that patients will not bear the cost of having abortion services performed elsewhere, and that specialized perinatal serves continued to be provided within the State of Montana; and
- 3) QUALITY. To assure that quality of care is not diminished as a result of the consolidation.

The COPA is No Longer Needed to Ensure that these Objectives are Met in the Coming Years

COSTS

The COPA was implemented in part to ensure that the cost savings achieved by the consolidation were passed on to patients and third-party payors. At the time the COPA was implemented, the Department noted that hospital costs in Great Falls were approximately 10% higher than other hospitals in the same peer group, and 6.5% higher than in Billings.

After the consolidation, that trend has reversed. COPA's objective of cost savings has been realized. Cost reductions mandated by the COPA's revenue cap have been achieved and incorporated into the lower prices. The attached data (most recent available) shows that Benefis' charges were 15% to 25% lower than the large hospitals in Montana. See attached charge comparison table (**Tab A**).²

In addition, roughly two-thirds of Benefis' patient revenues were paid by Medicare and Medicaid in 2005. See 2005 Payor Mix, attached (**Tab B**). These payors do not pay for services based on Benefis' charges; rather, they establish their own payment rates. That is a significant, inherent incentive for Benefis to continue to contain costs. When two-thirds of a hospital's volume drives cost decisions, there is little need for another mechanism to do so.

Because the cost-savings from consolidation have been achieved and cost containment measures will continue to be in place, and because cost savings will continue to be passed on to the consumer, there is no longer a need for the COPA to address this objective.

The attached substantiating data was obtained from the Montana Hospital Association, of which Benefis is a member. By agreement, Benefis is not allowed to reveal the names of the hospitals for which the data is representative, and thus the hospital names have been redacted.

ACCESS

The COPA sought to ensure that access to existing medical services would continue despite consolidation. The COPA also sought to ensure that patients would not bear the cost of having abortion-related services performed elsewhere.

In 2005, Benefis made the decision to disaffiliate with Providence Services. Negotiations toward disaffiliation with Providence Services have been diligently pursued, with an agreement expected to be finalized by this summer. The disaffiliation is motivated in part by Benefis' desire to maintain local governance and control, thus remaining a true community-based facility. The process of disaffiliation is a long one, but the parties are amicably working towards a resolution and complete disaffiliation. This process will result in Benefis being a faith-based, independent hospital.

After disaffiliation, there will be a continuation of the services presently offered at Benefis. Thus, disaffiliation will certainly ensure continued access at least at the level offered currently, including providing voluntary sterilizations, rape intervention and counseling, genetic counseling, and HIV risk-reduction counseling, all of which were cited in the COPA as access concerns. COPA, page 35.

Relatedly, the COPA required the consolidating hospitals to deed an office condominium to Intermountain Planned Parenthood, with the revenue earmarked to cover patients' nonmedical expenses required to travel to another Montana city to obtain abortion services. That was accomplished prior to consolidation through funding an endowment rather than using income from the office condominium.

The Department found that perinatal termination procedures provided in 1996 were important. Since 1996, those services have continued. Moreover, in 1996, Great Falls had the only perinatologist, which was also mentioned in the COPA. Now, there are perinatologists and neonatologists in other cities in Montana. See, e.g., attached (**Tab C**) (Website page from Rocky Mountain Neonatology, Missoula). Accordingly, COPA's access concerns regarding religious restrictions on these types of services have been fully addressed and will not be a concern in the future. The COPA is no longer needed to address those concerns.

Another access issue specifically addressed by the COPA -- inpatient operating room capacity -- has also been addressed. The COPA required that Benefis add additional operating rooms to handle projected patient volume. COPA at pp. 31-32. This requirement was satisfied by the construction and equipping of 8 state-of-the-art inpatient operating rooms at Benefis' East Campus. See Benefis' publication, "About Health" (**Tab D**). Benefis maintained 4 ORs on the West Campus and enhanced 4 endoscopy suites/procedure rooms on the East Campus. This resulted in a net gain of 2 ORs. Also, the additions of Central Montana Surgical Hospital and Great Falls Clinic Surgery Center had the effect of adding to the OR capacity in Great Falls. Thus, this access concern need not be regulated by the COPA going forward.

Benefis is committed to ensuring and improving access to health care in the community and in the region. As just one example, Benefis, as a member of the Access to Care Task Force,

recently offered \$300,000 as "seed money" to ensure that the City-County Health Department will be able to expand its many services (medical clinic, program for mothers and infants, etc) to the low-income population of Great Falls. See Goodnow Memorandum (**Tab E**).

Another indication of Benefis' commitment to the region is its sponsorship of the Northcentral Montana Healthcare Alliance, (NMHA). In 2003, Benefis spearheaded the development of NMHA, whose 14 members are all regional healthcare providers, 10 of which are designated Critical Access Hospitals with less than 25 beds. All of these facilities are essential economic engines in their respective communities, providing the highest number of best-paying jobs.

NMHA's mission is to support the delivery of healthcare locally in these small communities. NMHA, with strong financial and operational support from Benefis, has taken an entrepreneurial approach to preserving local healthcare through the development of new services in the rural facilities as well as new clinical service provided through telemedicine technology. NMHA, with Benefis' support, also provides continuing medical education, governance education for rural volunteer boards, physician and other health professionals recruitment, distribution of used but valuable equipment, and the continual search for government and philanthropic funding through grant and project development. Benefis pledges to continue to serve, lead, and support NMHA in the future.

Benefis has also enhanced access to care through its Financial Assistance Program (charity care). In the year just prior to consolidation, the two former hospitals provided a combined total of \$1.7 million for charity care; for fiscal year 2005, Benefis provided \$7 million for charity care. Benefis has also instituted a prompt-pay discount for patients who are not eligible for the Financial Assistance Program, thus aiding access for this category of patients.

Since 1996, access to care in North Central Montana has greatly improved. There is good reason to believe that access to care will continue to improve in the absence of the COPA.

QUALITY

For its final objective, the COPA sought to assure that the quality of care did not diminish as a result of consolidation. This objective will be carried on by Benefis in the absence of the COPA. Ongoing quality assurance surveys and reports are in place and will remain in place without the COPA. Many of the quality assurance and improvement mechanisms that have been in place or adopted since 1996 were not required by the COPA. Quality assurance measures in place at Benefis include:

Surveys/Inspections/Accreditations

 Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accreditation (surveyed every 3 years); JCAHO Disease-Specific accreditation: Joint Replacement and Stroke (every 2 years)

- Commission on Accreditation of Rehabilitation Facilities (surveyed every 3 years)
- Trauma Services (Level II) accreditation by American College of Surgeons (surveyed every 3 years)
- Cancer Program accreditation by the American College of Surgeons Commission on Cancer (surveyed every 3 years)
- Mercy Flight (helicopter and fixed wing program) accreditation by the Commission on Accreditation of Aeromedical Transports (surveyed every 3 years)
- College of American Pathologists: laboratory accreditation "With Distinction" (surveyed every 2 years)
- State Department of Public Health and Human Services Surveys of Benefis' skilled nursing center (surveyed annually and randomly)
- State Department of Labor and Industry Oversight of Benefis' license and the license of the physicians, nurses and others practicing Benefis (ongoing)

Other Quality Measurements and/or Quality Improvement Mechanisms

- Neonatal Nursery: Vermont Oxford Quality Improvement Data Base (ongoing)
- Society of Thoracic Surgeons: Cardiac Surgery Quality Initiative (ongoing)
- American College of Cardiology: Cardiology Data Base (ongoing)
- VHA (formerly Voluntary Hospitals of America): Superior Performance Initiative (ongoing)
- JCAHO Oryx Quality Measures (ongoing)
- Surgery Collaborative Improvement Program, Centers for Medicare and Medicaid Services' (CMS) quality improvement project instituted via Mountain Pacific Quality Foundation. Current project extends over a two-year time period.
- Institute for Healthcare Improvement: 100,000 Lives Campaign. The first phase extends to June of 2007 with anticipated ongoing projects.
- Mountain Pacific Quality Health Foundation: Benefis engages in ongoing projects with the Foundation, such as the one listed above. These involve both quality and patient safety.

- Benefis' In-House Quality and Safety Program (ongoing): comprehensive surveying, monitoring and reporting, including:
 - Clinical Quality
 - > Patient Safety
 - > Environment of Care
 - Injury Prevention (Employee)
- Patient Advocate Program (ongoing)
- Patient Call Back Nurse (nurse calls patients after discharge to answer questions and facilitate resolution of any care issues, etc.) (ongoing)
- CMS Conditions of Participation (requirements for services and quality) (ongoing). These are comprehensive and similar to JCAHO standards. CMS may perform validation surveys following JCAHO surveys, otherwise CMS relies upon surveys performed by JCAHO and other organizations. There are also specific requirements for payment related to certain procedures.

In addition, Benefis has consistently achieved reliable, objective indicia of its ability to provide high quality patient care and services. The resources provided by Providence Services for quality assurance have already been replaced. Anticipating disaffiliation, Benefis undertook replacement of Providence Services' quality assurance and improvement programs early in 2005. Quality indicators have remained the same or improved with the replacement system in place. Notably, during the JCAHO survey that was just completed, Benefis had only seven RFIs (requirements for improvement), which is commendable and, for the size of the hospital, a top result on a national level. Benefis has also received the following recognition and awards, with some awarded after Benefis implemented its own in-house quality assurance and patient safety programs:

Healthcare Quality Recognition and Awards

• HealthGrades' Distinguished Hospital Award for Clinical Excellence (February 2005 and January 2006). HealthGrades is a nationally recognized healthcare quality rating company. It rated Benefis among the top 5% of hospitals in the nation and as one of the top 229 hospitals out of nearly 5,000 hospitals nationally. HealthGrades' quality rating analysis showed Benefis performing exceptionally well in a number of individual clinical areas, in addition to its overall ranking, including but not limited to:

For 2005:

- Five-star rating for overall Orthopedic Services (total knee replacement, total hip replacement, and partial hip replacement).
- > Five-star rating for Treatment of Stroke.
- Five-star rating for overall Pulmonary Services (treatment of aspiration pneumonia, treatment of chronic obstructive pulmonary disease, and treatment of community-acquired pneumonia).
- Five-star rating for Bowel Obstruction.

Five-star rating for Treatment of Sepsis

For 2006:

- Five-Star Rated in Joint Replacement Surgery, Spinal Surgery and Overall Orthopedic Services
- > Five-Star Rated in Stroke Care
- > Five-Star Rated and Ranked #1 in Montana for Overall Pulmonary Care
- Five-Star Rated in Gastrointestinal Surgery and Ranked #1 in Montana for Gastrointestinal Medical Services
- Solucient's Top 100 Hospitals: Performance Improvement Leaders Award (2005). Benefis was named one of the nation's top 100 performance improvement leader hospitals by Solucient, a leading provider of strategic business and clinical information for the healthcare industry. Benefis is only one of two hospitals in Montana to have received this award, and one of 100 nationally (out of nearly 5,000). Benefis and its senior management team were recognized for developing consistent and effective organization-wide performance improvement across critical measures at a faster rate than other U.S. hospitals. These measures include quality of care, operational efficiency, financial performance and growth.
- United States Health and Human Services Recognition as Among the Nation's Top Organ Donor Hospitals (April 2005).
- Mountain-Pacific Quality Health Foundation's Quality Achievement Award (September 2005 and 2004). Benefis earned this award for its outstanding efforts in demonstrating quality patient care. It is the highest award offered by the Foundation. The hospital quality awards were created to recognize the quality of medical care in a variety of areas such as heart attack, heart failure, pneumonia and prevention of surgical infections.
- American Heart Association/American Stroke Association: Best Practice Hospital for Stroke Treatment (June 2004). Benefis participated in the American Stroke Association's Get With The Guidelines Stroke initiative. The goal of the program is to improve the overall quality of care for stroke patients by improving acute stroke treatment and preventing future strokes and cardiovascular events.
- 5-Star CVI Rating in Cleverley & Associates' State of the Hospital Industry (August 2004; May 2005). Benefis appeared in Cleverley & Associates' State of the Hospital Industry as having made the Community Value Index (CVI) 5-Star listing. The CVI was created to provide a unique measure of the value that a hospital provides to its community. This proprietary index is composed of eight measures that assess a hospital's performance in three areas:
 - Financial performance and plant reinvestment
 - Hospital cost structure
 - Hospital charge structure

The CVI indicates that a hospital provides value to the community when it is financially viable, is appropriately reinvesting back into the facility, maintains a low cost structure, and has reasonable charges. Benefis has done just that.

Benefis is not required by the COPA to report outcome data to most of the above-listed quality improvement initiatives or accreditations. Although this reporting of data is similar to the reporting required by JCAHO or CMS, Benefis devotes significant resources to perform the monitoring/reporting/improving of outcomes, which greatly exceeds the requirements of the COPA. Benefis will continue to seek such outside validation of its services to ensure that patient outcomes are superior, and that outcomes are benchmarked nationally and within reliable databases.

Benefis has and will continue to invest substantially in upgrading its facilities. As discussed above, Benefis constructed and equipped 8 state-of-the-art operating rooms at its East Campus. Additional improvements made on the East Campus include:

- 6th, 7th and 8th floor nursing units were completely remodeled
- The number of private rooms were increased and better care-giving space was created
- Intensive Care Unit was redesigned and remodeled
- Maternal Child/Neonatal Intensive Care Unit, Orthopedics, and Progressive Care were completely remodeled
- Laboratory, Radiology, and Heart Catheterization spaces were expanded and enhanced
- New Dialysis Unit was constructed
- New Endoscopy space was constructed
- New, consolidated, state-of-the-art Emergency Services Department was constructed
- New Pediatrics unit was constructed
- New state-of-the-art Residential Hospice Unit was constructed
- The Sletten Regional Cancer Institute was constructed

On West Campus, improvements include:

- Surgical Day Care, Behavioral Health, and Rehabilitation Services were redesigned
- The MONARC Injury Center was created

Benefis has also invested in new beds and bed alerts and a fall prevention program initiative to improve patient safety. A building security system was installed to keep vulnerable patients safe. Benefis has additionally upgraded both of its air ambulance aircraft (helicopter and fixed wing).

In addition, Benefis has made substantial investments in technology that are not required by the COPA, and are in some ways actively discouraged by the COPA. For example, the addition of automated medication and/or supply dispensing actually increased operational costs. Because the revenue cap focuses on cost control, it would not make sense to incur such additional costs. However, Benefis has spent millions on such infrastructure to improve patient safety and outcomes. In addition to automated medication delivery (Pyxis) and supply delivery (Omnicell), Benefis invested in a robot to dispense bar-coded medications. This reduces medication errors, which plague many hospitals. These quality and patient safety initiatives all exceed the requirements of the COPA.

All of these improvements represent investments in patient care and new technology to meet the changing needs of our more acutely-ill patients.

The COPA is No Longer Needed As a Substitute for Competition

The COPA stated that "the Department finds that the elimination of competition poses a risk to the quality of hospital services to consumers in Great Falls." COPA at page 29. Because of the significant increase in providers competing with Benefis over the last ten years, competition is not only present in the Great Falls market, but is increasing with each year. Over the entire 10-year period, Great Falls Clinic has consistently and progressively added competing testing and many other patient services capabilities and facilities. Great Falls clinic physicians comprise roughly 46% of all physicians who admit patients to Benefis. Thus, the impact of the Great Falls Clinic/Blue Cross Joint Venture insurance product (Montana Care) to steer patients away from Benefis' services to competing services provided by Great Falls Clinic physicians and at Great Falls Clinic facilities is significant and continues to grow with the addition of each new facility and the concomitant growth in the number of physicians.

Further, while Great Falls Clinic and Essentia provide local competition to Benefis, Benefis has also received and will continue to receive competition from other medical destination centers around Montana as well as outside of the state. For example, in 2005, 24% of cardio-vascular cases, 22% of neuromusculoskeletal cases, 18% of surgical cases and 14% of oncology cases in Benefis' secondary service area (North Central Montana) went to competition elsewhere in the state. See attached data (**Tab F**).

COPA was expressly implemented as a substitute for competition. Because of the growth in providers in competition with Benefis over the last ten years, the COPA is no longer needed to serve as a substitute. The competitive marketplace has now stepped in and competitive pressures will only continue to increase in the future.

Great Falls Clinic physicians currently admit patients for inpatient care to Benefis. Great Falls Clinic accounted for 57% of 2005 inpatient admissions, but only 14% of outpatient cases for Benefis (and only 21% of the net income of Benefis). See data attached (**Tab G**). Given that Great Falls Clinic physicians represent roughly 46% of Benefis' admitting medical staff, the fact that they produced only 14% of the outpatient cases at Benefis demonstrates the strong "steerage" power of Great Falls Clinic, which is then strengthened by the limitations imposed by Montana Care. Since Great Falls Clinic already steers outpatient cases away from Benefis and to Great Falls Clinic, and given Great Falls Clinic's new 50% ownership of Central Montana Hospital, there is good reason to expect Great Falls Clinic will be very aggressive and successful in steering inpatients to Central Montana Hospital, thus significantly improving the patient census at that facility, and providing a significant competitor to Benefis for inpatient services as well. Regardless of the outcome of the litigation over the hospital's ownership, Central Montana Hospital will likely continue operations with higher patient volumes and with resulting increased competitive pressure on Benefis.

Moreover, Essentia is a highly sophisticated, national competitor with 50% ownership in Central Montana Hospital, thus providing another significant source of competition. See Essentia's Website pages and map showing Essentia affiliates, attached (**Tab H**). According to its website, "Essentia is a major employer with about 14,000 staff members throughout its service areas with net operating revenue of approximately \$1 billion a year." The intent of the new Great Falls Clinic and Essentia for-profit partnership (Central Montana Hospital) to compete and expand its basis is crystal clear, as evidenced by the statements collected in the attached compilation (**Tab I**).

The new hospital joint venture does not share the commitment to community service that Benefis does; rather, it seeks to compete. See selected pages from PowerPoint presentation given by Daniel Zismer (a member of Essentia's "Senior Leadership Team") to the American College of Healthcare Executives, attached (**Tab J**). As stated in Zismer's PowerPoint presentation:

"The practice of medicine is not the delivery of not-for-profit, community health services."

That approach stands in stark contrast to Benefis' collaborative philosophy and business model and its not-for-profit structure.

In closing, there is solid evidence that the current vigorous competition in Great Falls will only continue to intensify. The intent of the COPA statute has been satisfied, and the law was never intended to regulate in a competitive market. Thus the COPA, which was intended to substitute regulation for competition, is no longer justified. In order to survive in this increasingly competitive market, Benefis will continue to keep in place the existing mechanisms to assure cost containment, access to services, and to ensure that it offers the highest quality services. The COPA, which helped to achieve those objectives, is no longer needed to protect consumers of healthcare in Great Falls and the surrounding communities. Benefis thus respectfully requests that the Department grant the proposed repeal of the COPA.

Sincerely yours,

UGRIN, ALEXANDER, ZADICK, & HIGGINS, P.C.

Meil E. Ugrin '

Attachments

cc: John Goodnow